HEARING DATE: January 18, 2022

BILL NO: SB0210

COMMITTEE: Senate Budget & Taxation

POSITION: Favorable

FOR INFORMATION CONTACT: Adam Gruzs (410) 767-4613

TITLE:

Tax Credits – Employer-Provided Commuter Benefits – Expansion

BILL ANALYSIS:

Senate Bill 210 adds carpool, telework, active transportation such as walking and bicycling, and multimodal commuting program to current commuter benefit options.

POSITION AND RATIONALE:

The Maryland Department of Planning (Planning) supports this bill. Pursuant to the Annotated Code of Maryland, State Finance and Procurement Article, § 5-602(a), Planning is required to prepare and, from time to time revise, a state development plan for Maryland. On August 19, 2017, Governor Hogan issued Executive Order 01.01.2017.18, which charged Planning with preparing an updated state development plan, known as <u>A Better Maryland</u>.

A Better Maryland was completed and submitted to the Governor on July 1, 2019, and included various topics and strategies that would balance economic development with environmental stewardship. Major strategies of A Better Maryland include:

- Improving Economic Growth and Development in Existing Communities;
- Addressing Maryland's Transportation, Infrastructure, and Technology Challenges and Opportunities;
- Sustaining the Environment into the Future; and
- Meeting Clean and Renewable Energy Goals.

SB 210 furthers the goals of *A Better Maryland* by providing economic, transportation, and environmental benefits for Maryland.

According to the Maryland Department of Transportation, travel volumes on state highways have reached – and in some cases surpassed – pre-COVID-19 pandemic levels in 2021. However, in many cases, congestion levels are not back to pre-pandemic volumes, largely due to commuters traveling less and teleworking more, as many employers have continued to offer flexible work schedules. SB 210 will support Maryland businesses by enabling them to provide flexible telework commuter benefits. The bill will also support the continued reduction in congestion levels and making commuting easier, safer, cheaper, and greener.

The addition of these commuter benefit options will continue to make Maryland a competitive state for business in the 21st century economy by helping businesses attract and retain talent, while also reducing congestion, conserving energy, protecting the environment, and improving the quality of life of all Marylanders.

For the foregoing reasons, Planning respectfully requests a Favorable committee report for SB 210.